

**WORLD FLEX PUBLIC COMPANY LIMITED****บริษัท เวิลด์เฟล็กซ์ จำกัด (มหาชน)**

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Subject Management Department Discussion and Analysis in 2022, ended December 31, 2022

Dear Directors and Managers at The Stock Exchange of Thailand,

World Flex Public Company Limited ("the company") would like to inform about the consolidated operating results of the company in 2022, ended on December 31, 2022 (1 January– 31 December) with details as following;

Results for the ended on December 31, 2022 and 2021 of World Flex Public Company Limited

Unit : Million Baht

Income Statement	Q4'2022	Q4'2021	Increase (Decrease)		2022	2021	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%
Revenue from sales of goods	854.56	1,182.41	(327.85)	(27.73)	3,674.09	3,765.55	(91.46)	(2.43)
Revenue from sales of scrap	0.06	0.09	(0.03)	(31.18)	0.31	0.46	(0.15)	(32.30)
Total revenue from sales	854.62	1,182.50	(327.88)	(27.73)	3,674.40	3,766.01	(91.61)	(2.43)
Other income	21.40	4.56	16.84	369.30	32.59	10.56	22.04	208.71
Net gains on foreign exchange	-	8.49	(8.49)	(100.00)	-	-	-	-
Total income	876.02	1,195.55	(319.53)	(26.73)	3,706.99	3,776.57	(69.57)	(1.84)
Costs of sales of goods	812.68	890.84	(78.16)	(8.77)	3,308.84	3,061.90	246.94	8.06
Distribution costs	14.38	21.74	(7.36)	(33.85)	48.38	45.54	2.84	6.24
Administrative expenses	19.60	72.57	(52.97)	(72.99)	94.70	187.61	(92.91)	(49.52)
Net losses on foreign exchange	16.78	-	16.78	100.00	12.39	22.92	(10.53)	(45.94)
Total expenses	863.44	985.15	(121.71)	(12.35)	3,464.31	3,317.97	146.34	4.41
Profit from operating activities	12.58	210.40	(197.82)	(94.02)	242.68	458.60	(215.91)	(47.08)
Finance costs	0.86	3.30	(2.44)	(73.94)	3.99	23.48	(19.49)	(83.01)
Profit before income tax expense	11.72	207.10	(195.38)	(94.34)	238.69	435.12	(196.42)	(45.14)
Tax expense	2.66	36.24	(33.58)	(92.66)	40.20	76.02	(35.82)	(47.12)
Profit for the year	9.06	170.86	(161.80)	(94.70)	198.49	359.10	(160.60)	(44.72)
Basic earnings per share (in Baht)	0.02	0.52	(0.50)		0.43	1.10	(0.67)	

Note : The ratio in the income statement is expressed as a percentage of total revenue.



1. Sales Revenue

For the year of 2022, sales revenue was 3,674.40 million baht, a decrease of 91.61 million baht or 2.43% from the previous year due to a continual decline in the average sell prices to compete in many sellers that effects decreasing of sales of rubber thread which is the major revenue.

2. Expense

For the year of 2022, the Company incurred expenses of 3,464.31 million baht, an increase of the previous year 146.34 million baht or 4.41% due mainly to raw materials such as latex, chemicals, packaging, energy are higher prices resulting in the higher average unit costs.

3. Finance Cost

For the year of 2022, the company's financial cost was 3.99 million baht or 0.11% of total revenue, a decrease of the previous 19.49 million baht or 83.01% due to short-term debt repayments from financial institutions at the end of 2021, as a result of capital increase on the SET as of December 23, 2021 that effects the interest payments fell in 2022.

4. Profit for the year

For the year of 2022, the Company recorded net profit of 198.49 million baht or 5.35% of total revenue, a decrease of 160.61 million baht or 44.73%, mainly due to the energy shortage which caused higher energy prices and other production materials. The company has increased its installed capacity to support the needs of customers in various industries and has launched some production operations in the third quarter in 2022. As a result, the utilization rate was 76%, decreasing from 2021. The initial operation of the new machinery was improved to match the new machinery, resulting in lower production efficiency but higher expense that effects the lower gross profit margin. However, the company expects the utilization rate and efficiency will return to normal in the second quarter of 2023.

By the way in the past of year, the company has focused on marketing all segments to support increasing customer demand, expanding to India, and other regions in China, and maintaining its existing customer base. However, the management has continued to monitor other impacts such as inflation, recession, political and international economic, e.g. Russia-Ukraine, Taiwan-China and America-China, etc. In addition, the impact of the lockdown caused some customers' orders to slow down, resulting in sales falling short of the target that the management continues to follow all of customers in China and assess the situation closely.



Statement of financial position

Unit : Million Baht

	31 December 2022	31 December 2021	Increase (Decrease)	
			Million Baht	%
Assets				
Current assets				
Cash and cash equivalents	292.46	605.61	(313.15)	(51.71)
Trade and other current receivables	313.22	290.33	22.89	7.88
Inventories	310.11	373.87	(63.76)	(17.05)
Other current assets	17.54	41.93	(24.39)	(58.17)
Total current assets	933.33	1,311.74	(378.41)	(28.85)
Non-current assets				
Investment properties	358.36	339.80	18.56	5.46
Property, plant and equipment	1,663.31	1,290.99	372.32	28.84
Other non-current assets	3.57	10.20	(6.63)	(65.00)
Total non-current assets	2,025.24	1,640.99	384.25	23.42
Total assets	2,958.57	2,952.73	5.84	0.20
Liabilities and equity				
Trade and other current payables	342.36	495.80	(153.44)	(30.95)
Current portion of long-term loans from financial institution	100.80	25.20	75.60	300.00
Current portion of lease liabilities	2.05	2.38	(0.33)	(13.87)
Dividend payable	0.01	102.12	(102.11)	(99.99)
Other current liabilities	2.44	75.49	(73.05)	(96.77)
Total current liabilities	447.66	700.99	(253.33)	(36.14)
Long-term loans from financial institution	233.02	64.77	168.25	259.77
Lease liabilities	5.97	4.20	1.77	42.14
Non-current provisions for employee benefits	12.47	11.44	1.03	9.00
Deferred tax liabilities	129.05	125.36	3.69	2.94
Other non-current liabilities	3.50	3.84	(0.34)	(8.85)
Total non-current liabilities	384.01	209.61	174.40	83.20
Total liabilities	831.67	910.60	(78.93)	(8.67)
Equity	2,126.90	2,042.13	84.77	4.15
Total equity	2,126.90	2,042.13	84.77	4.15
Total liabilities and equity	2,958.57	2,952.73	5.84	0.20

Note : Abbreviated statement of financial position

1. Assets

As of December 31, 2022, the Company's total assets was 2,958.57 million baht, an increase of 5.84 million baht or 0.20% from December 31, 2021. This was mainly due to the increase in the investment in the estate, buildings and equipment to support the expansion of rubber thread production. And dividends of approximately 215.84 million baht for cash and cash equivalents decreased from the above case.

2. Liabilities

As of December 31, 2022, the Company's total liabilities was 831.67 million baht, a decrease of 78.93 million baht or 8.67% due mainly to long-term loaning from financial institutions. However,



the Company has benefited from participation in the rubber industry support project by the government will compensate the Company for interest, the actual payment is not more than 3.00% per annum over the period of 10 years (2016-2026). However, since the Company has participated in the project in the year 2016. As a result, the company's participation period was 5 years (2021-2026) in line with the five years of loans received from financial institutions as of September 30, 2022 and December 31, 2022. The Company's total liabilities were 831.67 million baht and 910.60 million baht, respectively, decreased by 78.93 million baht or by a decrease 8.67%. This was mainly due to a decrease in trading creditors, in line with sales volume and outstanding dividends paid on May 5, 2022.

3. Shareholders' Equity

As of December 31, 2022, the Company's total shareholders' equity was 2,126.90 million baht, an increase of 84.77 million baht or 4.15% due to operating profit 198.50 million baht.

World Flex Public Company Limited continues its commitment to sustainable growth, good corporate governance and community, social and environmental development.

Please be informed accordingly.

Your Faithfully,
World Flex Public Company Limited

Nat Vongsasuttikul
Managing Director